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October 13, 1998

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TO PERSONAL MANAGEMENT OF STATEMENT AND STATEMENT OF STAT

Magalie Roman Salas, Esq. Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554

Hand Delivered

Re:

RealWorld Advanced Technology Inc.

Request for Waiver

and the second

CC Docket No. 96-45

Dear Ms. Salas:

Transmitted herewith, on behalf of STAR Telecommunications, Inc. ("STAR") and pursuant to the FCC's September 17, 1998 Public Notice, DA 98-1872, are an original and six copies of STAR's comments on the above-referenced waiver request. Copies of these comments are also being delivered today to Sheryl Todd of the Common Carrier Bureau and to International Transcription Services, Inc. A copy of the comments on diskette is also being provided to Sheryl Todd.

In the event there are questions concerning this matter, please contact me.

Very truly yours,

R Edward Price

Enclosure

cc (w/enc.):

Sheryl Todd

International Transcription Services, Inc.

No. of Copies rech 14

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In the Matter of)	
)	
Federal-State Joint Board on)	CC Docket No. 96-45
Universal Service)	

COMMENTS OF STAR TELECOMMUNICATIONS, INC.

STAR Telecommunications, Inc. ("STAR"), by its attorneys and pursuant to the Commission's September 17, 1998 Public Notice. DA 98-1872, in the above-captioned proceeding, submits these Reply Comments concerning the request of RealWorld Advanced Technology Inc. ("RealWorld") for a waiver of Sections 54.705-13 of the Commission's Rules.

RealWorld's July 23, 1998 waiver request seeks a waiver of the FCC requirement that international carriers pay into the Universal Service Fund ("USF") based on all of their enduser telecommunications revenues, including international revenues. Carriers that provide only international services are exempt from this requirement; however, carriers, like RealWorld, that have even a very small amount of domestic revenues must pay into the USF based on those domestic revenues as well as all of their international end-user revenues.

STAR agrees that USF payments should be based only on carriers' domestic end-user revenues. Requiring international carriers with a small proportion of domestic revenues to pay into USF based on both their domestic and international revenues provides a major disincentive for international carriers that wish to the U.S. domestic market or hub their traffic through the United States. To be fair to international carriers, and to encourage the practice of hubbing, the Commission should allow international carriers to pay into the USF based on

their domestic end-user revenues only.

Although STAR supports RealWorld's waiver request, it believes that rather than rule on waiver requests such as RealWorld's on an ad hoc basis, the Commission should initiate a proceeding to establish the grounds for a waiver of the USF contribution requirements for international carriers that is consistent with the FCC's international resale and switched hubbing policies (i.e., does not penalize carriers for hubbing traffic via the United States).

Respectfully submitted,

STAR TELECOMMUNICATIONS, INC.

D...

Gregory C. Staple

R Edward Price

KOTEEN & NAFTALIN, L.L.P. 1150 Connecticut Avenue, N.W. Suite 1000 Washington, D.C. 20036-4104

(202) 467-5700

Its Attorneys

October 13, 1998

CERTIFICATE OF SERVICE

I, R. Edward Price, do hereby certify that on October 13, 1998, copies of the foregoing "COMMENTS OF STAR TELECOMMUNICATIONS, INC." were served via first class U.S. Mail, postage prepaid to the following:

Robert Tucker RealWorld Advanced Technology Inc. 501 Boyden Avenue Maple Wood, New Jersey 07840

R Edward Price